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09/465,730	05/17/2000	CHARLES ERIC HUNTER	05001.1020	9231

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EXAMINER

NGUYEN, CUONG H

ART UNIT PAPER NUMBER

3661

DATE MAILED: 02/28/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/465,730

Applicant(s)

HUNTER ET AL.

Examiner

CUONG H. NGUYEN

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 27 October 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-73 is/are pending in the application.
- 4a) Of the above claim(s) 1-10, 24, 35-40, 44-46, 66-68 and 71 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 11-23, 25-34, 41-43, 47-65, 69, 70, 72 and 73 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 17 May 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

#### DETAILED ACTION

1. This Office Action is the answer to the amendment/ election received on 10/27/2004; this election is made final, and this paper has been placed of records in the file.

#### Response

2. The examiner respectfully submits an additional new ground of rejection for "technological art" has been required to make a claim conforms with a statutory subject matter; because this ground of rejection has been enforced recently to all claims for business method inventions (class 705).

3. Independent claim 72 is reasonably interpreted as:

A method for merchandising (buying or selling) products of a merchant to customers, comprising:

- electronically displaying content comprising a product and product information in a plurality of locations (TV, Internet, electronic advertisements .etc.), the product information including a product ordering number;
- receiving customer identification information indicating that a customer wishes to order a product (can be done by mail, chatting/talk, phone, or manual means);

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- receiving the product ordering number from the customer (can be done by mail, chatting/talk, phone, or manual means);
- matching the product ordering number to a corresponding merchant (can perform this claimed step manually); and
- communicating the customer and product ordering number to the merchant (can perform this claimed step manually).

*Claim Rejections - 35 USC § 101*

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Independent claim 72 as claimed above is rejected under 35

U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily

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created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA)1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole nonstatutory using the Freeman Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter ... is statutory, not on whether the product of the claimed subject matter... is statutory, not on whether the prior art which the claimed subject matter purports to replace ... is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to

determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374.

Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the

claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, several steps in the independent method claim 72 can be performed manually; no mention is made of any technology being used to complete above steps. The above steps read on manually communicating information between a buyer and a seller. Thus, the claimed invention is conducted with no specific connection to any type of technology. The examiner notes that the terminology of "electronic displaying contents" used in the claim to display information, do not limit the invention to any technology neither. The distributed information could consist of no more than a TV or radio or electronic billboards about a list of available products. Therefore, the above claim is considered to be directed towards non-statutory subject matter.

To overcome the above rejection, the examiner suggests the Applicants amend the claims to more directly identify which steps are being performed by what type of technology.

5. Claims 11-23, 30-34, 41-43, 47-65, 69-70, and 73 are objected because they are dependent on independent claim 72.

**Claim Rejections - 35 USC § 102**



The following is a quotation of the appropriate paragraphs of 35 U.S.C. § 102 that form the basis for the rejections under this section made in this Office action:  
A person shall be entitled to a patent unless --

The following is a quotation of the appropriate paragraph of 35 U.S.C. § 102 in view of the AIPA and H.R. 2215 that forms the basis for the rejections under this section made in the attached Office action:

**A person shall be entitled to a patent unless --**

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

35 U.S.C. § 102(e), as revised by the AIPA and H.R. 2215, applies to all qualifying references, except when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. For such patents, the prior art date is determined under 35 U.S.C. § 102(e) as it existed prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. § 102(e)).

6. Claims 72, 11-16, 31-33, 43, 47, 49-55, 60-63 are

rejected under 35 U.S.C. § 102(e) as being anticipate by  
Walker et al. (US Pat. 6,754,636).

A. As to claims 72, 47, 49-51, 54-55: Walker et al. teach  
a method for merchandising the products of a merchant to  
customers, comprising:

(a) electronically displaying content comprising a product  
and product information in a plurality of locations, the  
product information including a unique identification/  
(product ordering number) (i.e., via the Internet, see  
Walker, Figs.1B and 2B);

(b) & (c) receiving customer identification information, and ordering number indicating that a customer wishes to order a product - i.e., sending a customer's name, shipping address, and charge numbers);

(d) matching the product ordering number to a corresponding merchant (i.e., searching through a seller database or a retailer database via the Internet to match an input query with a unique product's identification, see Walker, Figs.1B and 2B); and

(e) communicating/transmitting the customer and a unique identification (product ordering number) to the merchant (i.e., online/Internet communication between a customer and a merchant - (i.e., performing communications (including confirming order) via the Internet/emails, see Walker, the abstract).

B. As to claim 11: Walker et al. inherently teach that the content is displayed for a period (see Walker et al., 9:8-13).

C. As to claims 12, 31, 43: Walker et al. teach a step of transmitting/communicating contents/options via Internet to buyers (see Walker et al., Fig.1B).

D. As to claim 13: Walker et al. inherently teach a step of selecting Internet to transmit contents to many locations (see Walker et al., Fig.1B).

E. As to claim 14: Walker et al. inherently teach a step of displaying received data in a common format (i.e., convert data to a predetermined format before displaying them -see Walker et al., Fig.1B ref.210, Fig.4 ref.244).

F. As to claims 15-16: Walker et al. inherently teach a step of displaying received data after reviewing them (i.e., for verifying inputs accuracy - see Walker et al., Fig.9B).

G. As to claims 52-54: Walker et al. inherently teach steps of:

- verifying a customer's credit card at check-out (see Walker et al., Fig.22).
- checking whether said credit card's balance is "good".

H. As to claim 55: Walker et al. disclose that a product can be a service (e.g., a contract for cell-phone plan, an insurance plan for a new car; see Walker et al., 2:24-26).

I. As to claim 60: Walker et al. disclose about shipping a product from a merchant to a customer; see Walker et al., 11:41-46).

J. As to claims 61-62, 32-33: Walker et al. inherently teach a step of:

- communicating shipping information to and from a customer after a merchant received an order; and using a telephone's keypad a means of communication (see Walker et al., 7:1-23).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office Action:

*(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.*

7. Claims 17, 30, 34, 41, 56-59, 64-65, and 73 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Pat. 6,754,636).

The rationales and reference for above rejection of claim 72 are incorporated.

A. As for dependent claims 17, and 73: Walker et al. do not expressly disclose about capturing still images and time data of displayed content.

However, the examiner respectfully submits that in order to displaying content effortlessly, content's still image obviously is "captured", and time of receiving data is "logged" for receiving records; because those data would be used later for verifications.

B. As for dependent claim 30: Walker et al. do not expressly disclose about "the product ordering number indicates both a product and the merchant offering the product".

However, the examiner respectfully submits that it is old and well-known to give a unique number for a product that have above conditions (e.g., HV-250R is the product ordering number for a unique Hitachi Vibrator device using in therapy business).

C. As for dependent claims 34, 64: Walker et al. disclose that telephone has been used to receive orders from customer. Walker et al. do not expressly disclose about "the transmitting of the product ordering number comprises speaking ... and recognizing the spoken product ordering number".

However, the examiner respectfully submits that it is old and well-known to use voice-recognition technology in telephone communications for verifications and orderings.

D. As for dependent claims 41-42: Walker et al. obviously suggest a step of prompting a customer for inputting a product number after reviewing/receiving them (see Walker et al., Fig.16 wherein a consumer inherently selects/inputs a "product identifier" number).

E. As for dependent claims 56-58: Walker et al. do not expressly disclose that "a product is product literature".

However, the examiner respectfully submits that it is old and well-known to use a product literature as a product because electronic manuals for specific electronic devices have been ordered as regular transactions.

With that similarity, limitations of claim 57 are analogous to limitations of rejected claim 72, and the rationales for obvious rejection are set forth.

F. As for dependent claims 59, 65: Walker et al. also suggest about creating a database including a preference - e.g., shipping a product via UPS or FedEx (see Walker et al., 21:35-54), and communicating that option for a customer's selection.

The examiner respectfully submits that it is old and well-known for one of ordinary skill in the art at the time of invention to specify whether that preference is about "sending product literature" or about "sending a big screen TV" since they are manufacturing goods.

It would have been obvious to one of ordinary skill in the art at the time of invention to implement Walker et al. teaching as cited above to improve Internet communications

by further definitions of "a product" and applying available telephone technology in purchasing transactions.

8. Claims 18-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Pat. 6,754,636), and in view of Reeder (US Pat. 5,852,812).

The rationales and reference for above rejection of claim 18 are incorporated.

A As for dependent claim 18: Walker et al. do not expressly disclose about detecting customer traffics.

However, it is old and well-known that counting visiting times (with a counter) is similar of "detecting customer traffics", and websites have been using that as a level to measure a website popularity (see Reeder, 5:33-42).

B. As for dependent claim 19: Walker et al. do not expressly disclose about generating a market analysis report based on detecting traffics.

However, Reed suggests that idea (see Reed, 6:58-65).

It would have been obvious to one of ordinary skill in the art at the time of invention from combining Walker et al. and Reed to accurately using analyzed traffics into Internet transactions presented by Walker et al. for the benefit of building profile's data of customers and merchants which is useful for billings.

C. As for dependent claims 20-21: Walker et al., and Reed do not disclose about billing a merchant for merchandising/advertising a product.

However, the examiner respectfully submits that billing a party for a service is an old and well-known transaction. It would have been obvious with one of ordinary skill in the art at the time of invention to bill and send that bill to a merchant for a promoting/analyzing service that improves traffics/business of that merchant.

9. Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Pat. 6,754,636), in view of Loban et al. (US Pat. 5,612,741).

The rationales and reference for a rejection of claim 72 are incorporated.

Walker et al. do not disclose about detecting defective pixels in a display.

However, Loban et al. suggest that there is a periodically maintenance of video billboards (see Loban et al., 1:9-21).

It would have been obvious with one of ordinary skill in the art at the time of invention to combine ideas suggested by Walker et al. and Loban et al. to "physically" maintain an



electronic display for effective uses information that are displayed.

10. Claim 23 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Pat. 6,754,636), in view of Loban et al. (US Pat. 5,612,741), and further in view of Margulis et al. (US Pat. 6,157,396).

The rationales and reference for a rejection of claim 22 are incorporated.

Walker et al., and Loban et al. do not disclose about automatically calibrating pixels in a display.

However, Margulis et al. suggest self-calibration of video pixels of video displays (see Margulis et al., 14:6-16).

It would have been obvious with one of ordinary skill in the art at the time of invention to combine ideas suggested by Walker et al., Loban et al., and Margulis et al. to maintain an electronic display in good conditions by automatically calibrations for effective uses information that are displayed.

11. Claims 69-70 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Pat. 6,754,636), and in view of Laumeyer et al. (US Pat. 6,266,442).

The rationales and reference for above rejection of claim 72 are incorporated.

Walker et al. do not disclose about transmitting global position data of a customer to a merchant.

However, Laumeyer et al. suggest of using a GPS to obtain position data of an object (see Laumeyer et al., the abstract, and 14:13-15).

It would have been obvious to one of ordinary skill in the art at the time of invention from using a GPS to obtain a buyer's location as taught by Laumeyer et al. in Walker et al.'s method of merchandising a product to geographically identify location of a buyer, and performing statistic because these information are necessary for improving a merchant's business.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to CUONG H. NGUYEN whose telephone number is 703-305-4553. The examiner can normally be reached on 7:15 am - 3:45 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, THOMAS G. BLACK can be reached on 703-305-8233. The fax phone number for the organization where this application is assigned is 703-305-7687. Information regarding the status of an application may

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be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

*Cuong H. Nguyen*

CUAN

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Art Unit 3661